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Jenny R. Pittman
Counsel for ORS

May 25, 2018

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Application of Moore Sewer, Incorporated for Adjustment of Rates and Charges and
Modification to Certain Terms and Conditions for the Provision of Collection-Only Sewer
Service
Docket No. 2016-384-T

Dear Ms. Boyd:

Please find enclosed for this docket, the South Carolina Office of Regulatory Staff's Corrected testimony and exhibit as corrected from the witness stand on May 22, 2018. The corrections are as follows:

1. Page 13 of 17 of Witness Daniel Sullivan's Direct Testimony, correcting the rate base amount on Line 15. This correction is not material in nature and does not alter Mr. Sullivan's adjustments or recommendations.
2. Page 1 of Witness Anthony Sandonato's Direct Testimony Exhibit AMS-1, correcting the statement on Line 5 that the company is in compliance with S.C. Code Ann. Regs 103-531. This is not a material change and does not alter Mr. Sandonato's recommendations.

Letter – Jocelyn G. Boyd
May 25, 2018
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By copy of this letter, we are serving all parties of record with a copy of this document via electronic mail. If you have any questions regarding this matter, please advise.

Sincerely,



Jerry R. Pittman

cc: John J. Pringle, Jr., Esquire (via E-Mail)
David W. Stark, III, Esquire (via E-Mail)

1 The note payable between Operation Drains, Inc. and Moore Sewer was essentially
2 established as a repayment plan in February 2010 because the Company did not pay
3 Operation Drains, Inc. for the extensive work performed. As a result of the Company not
4 making payments, additional late payment finance charges were assessed creating a higher
5 balance owed to Operation Drains, Inc. In addition to the finance charges assessed by
6 Operation Drains, Inc. and included in the balance owed, the Company is proposing to
7 recover 3.0% interest on the balance of the note payable.

8 The Company stated that it has not made any payments on either of the notes payable. It is
9 ORS's position that the Company should not receive recovery of an expense from rate payers
10 that the Company did not pay for. In addition, the Company should not recover interest
11 expense from rate payers for loans the Company is not repaying.

12 ORS Audit Exhibit DFS-6 details ORS's calculation of interest expense using interest
13 synchronization. ORS's calculation synchronizes the Company's interest expense with its
14 rate base. ORS used a hypothetical 50% debt and 50% equity capital structure, a rate base of
15 \$177,799, and a 0% weighted average cost of debt since the Company has not made any
16 payments on the notes payable.

17 Adjustment 18 – Gross Utility Plant in Service – ORS proposes to adjust gross utility plant
18 in service by (\$119,252). Details of ORS's proposed gross plant in service adjustment are
19 shown in Audit Exhibit DFS-3.

20 Columns 1 and 2 of Audit Exhibit DFS-3 detail the asset descriptions and in service dates
21 for each asset, respectively.

22 Column 3 of DFS-3 details the original cost of the assets. The Company's balance sheet,
23 Exhibit B of the application, shows \$476,413 in plant in service. The Company provided



ORS BUSINESS OFFICE COMPLIANCE REVIEW: Sewer Company

Utility: Moore Sewer, Inc.
Inspector(s): Anthony Sandonato
Office: 110 Milliken Rd, Spartanburg, SC
Utility Type: Sewer
Date: March 29, 2018
Company Representative: Janet Teichman

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
1	All records and reports available for examination in accordance with R.103-510.	X		
2	Complaint records maintained in accordance with R.103-516.	X		Reviewed the complaint log in office as well as utility's response to complaints.
3	Utility's rates, its rules and regulations, and its up-to-date maps and plans available for public inspection in accordance with R.103-530.	X		
4	Established procedures to assure that every customer making a complaint is made aware that the utility is under the jurisdiction of the South Carolina Public Service Commission and that the customer has the right to register the complaint in accordance with R.103-530.	X		
5	Deposits charged within the limits established by R.103-531.	X		
6	Timely and accurate bills being rendered to customers in accordance with R.103-532.	X		Customer are Billed in arrears for services received.
7	Bill forms in accordance with R.103-532.	X		
8	Adjustments of bills handled in accordance with R.103-533.	X		
9	Policy for customer denial or discontinuance of service in accordance with R.103-535.	X		
10	Notices sent to customers prior to termination in accordance with Rule R.103-535.	X		
11	Notices filed with the Commission of any violation of PSC or DHEC rules which affect service provided to its customers in accordance with rule R.103-514.C	X		